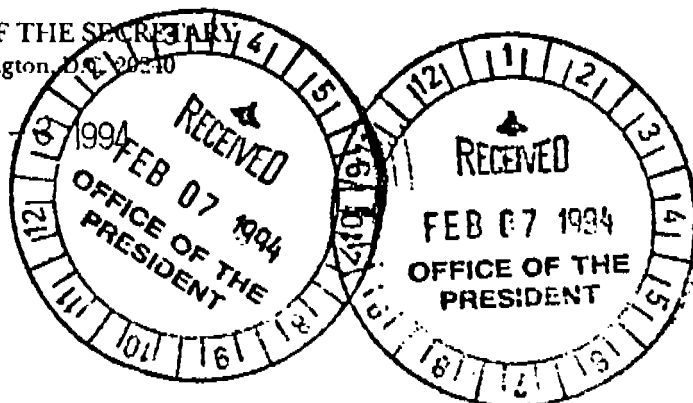




United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

FEB 1994



Honorable Peterson Zah
President
The Navajo Nation
P. O. Box 308
Window Rock, Arizona 86515

Dear President Zah:

Thank you for your letter of November 17, 1993, to Secretary Babbitt regarding the issuance of the Black Mesa Mine permit by the Office of Surface Mining Reclamation and Enforcement. I would like to apprise you of recent events which impact on the Black Mesa Mine permit decision.

As you are aware, on the request of the Director, Office of Environmental Policy and Compliance, the Department's U.S. Geological Survey (USGS) evaluated information concerning potential impacts of ground-water withdrawal from N-aquifer for slurry transportation of coal produced by the Black Mesa Mine. The results of the evaluation were forwarded to you on November 19, 1993.

Subsequent to the evaluation, the Hopi Tribe and Peabody Coal Company (Peabody) have provided to the Department their views on the permit issue. The Hopi Tribe has requested that Peabody be required to construct a Lake Powell pipeline and cease its N-Aquifer withdrawal for slurry transportation of coal as a condition of continuing to operate the mine (see Hopi Tribe letter of November 19, 1993 attachment 1). Peabody believes that all prerequisites to the issuance of the mine permit have been fully complied with and that the permit should be issued without further delay (see Peabody Western Coal Company "Discussion Paper Black Mesa Mine Permit" attachment 2).

The Department will review Peabody's latest submission, including those that Peabody intends to submit to the Department in early February 1994, to ensure that all relevant information was included in the development of the N-aquifer evaluation. Once this review is complete, a permit recommendation will be provided to the Secretary. All information will be carefully considered when evaluating this critically sensitive issue. Please note that any decision regarding the continuation of the alternative transportation study, as well as the use of an alternative water source for slurry transportation would be made in conjunction with the Black Mesa Mine permit action.

President Peterson Zah

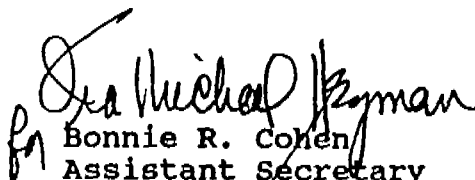
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As a key element of the Department's review of this matter, the Department is committed to a fair process which provides the opportunity for Peabody, the Hopi Tribe, and the Navajo Nation to express their concerns and to provide relevant information for the Department's consideration. Accordingly, I would like to invite the Navajo Nation to provide any Black Mesa Mine permit information you feel is pertinent with respect to the decision process.

Should you have any questions, please do not hesitate to contact Dr. Jonathan P. Deason, Director, Office of Environmental Policy and Compliance at 202/208-3891.

Thank you for your cooperation in this matter.

Regards,

Handwritten signature of Bonnie R. Cohen in cursive script.

Bonnie R. Cohen
Assistant Secretary
Policy, Management and Budget

Attachments:

1. Hopi Tribe Letter dated November 19, 1993
2. Peabody Western Coal Company - "Discussion Paper Black Mesa Mine Permit"

cc: Mr. W. Howard Carson
President
Peabody Western Coal Company
1300 South Yale Street
Flagstaff, Arizona 86001

Mr. Vernon Masayesva
Chairman
The Hopi Tribe
P.O. Box 123
Kykotsmovi, Arizona 86039